

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON 25, D.C.



OSA-1370-63

REPLY TO
ATTN OF:

SUBJECT:

TO:

#1094

REPLY TO:
Auditor General
Comptroller, USAF
Eastern District
Liaison Office
P. O. Box 8155
S. W. Station
Washington, D. C.

25X1A

15 March 1963

Subject: Report on Interim Audit of CPIF
Contract
ITEK Corporation
Lexington, Massachusetts
Contract No. BT-1943
Period: Inception through 25 January 1963

DOCUMENT NO. _____
NO CHANGE IN CLASS. ☒
☐ DECLASSIFIED
CLASS. CHANGE TO: TS S G
NEXT REVIEW DATE: 2011
AUTH: HR 78-2
DATE: 20/7/81 REVIEWER: 064540

TO : Contracting Officer

1. An interim audit of the costs under the subject contract has been performed by the auditor. This contract covers the procurement of eight (8) Lanyard Satellite Reconnaissance Camera Payloads together with related supplies and services. The results of audit are set forth in Exhibit A.

2. For the purpose of clarification it should be understood that, while no formal report of interim audit has been issued prior to this time, continuous review has been effected by the auditor by means of frequent examination of the cost records pertaining to this contract and by repeated discussions with the project personnel.

3. As shown on Exhibit A, the actual booked (incurred) costs through 25 January 1963 aggregate [redacted]. The estimated February 1963 expenditures plus outstanding commitments as of 25 February 1963 total [redacted]. This results in gross expenditures and open commitments at the end of February 1963 totalling [redacted]. This plus a review of the additional expenditures forecast through completion does not appear to indicate an over-run. It should be further noted that within the gross expenditures cited is the transfer of [redacted] (matured costs only) from the prior E-5 Program.

4. The auditor has reviewed material costs for the items of more significant dollar value and has determined such costs to be allocable and applicable to the work performed under this contract. Director labor has been checked from the cost ledger to the supporting IMB runs and on a test basis to the original labor records. Overhead and G & A costs shown on Schedule A

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represent application by the Contractor of adjusted book rates consonant with the provisional rates approved by the cognizant audit activity.

5. Based upon the review, the auditor recommends acceptance of the costs incurred to 25 January 1963 of for interim billing purposes. 25X1A



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Audit Liaison Officer
Eastern District
Auditor General

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